

SENATE BILL REPORT

SB 5918

As Passed Senate, March 14, 2007

Title: An act relating to retirement benefits for judges.

Brief Description: Revising retirement benefits for judges.

Sponsors: Senators Fraser and Delvin; by request of Board For Judicial Administration.

Brief History:

Committee Activity: Ways & Means: 2/19/07, 2/28/07 [DP].

Passed Senate: 3/14/07, 49-0.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Zarelli, Ranking Minority Member; Brandland, Fairley, Hatfield, Hewitt, Hobbs, Honeyford, Keiser, Kohl-Welles, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Erik Sund (786-7454)

Background: Since 1988, newly elected or appointed judges have been enrolled in the Public Employees' Retirement System (PERS). In addition to a PERS benefit, state-employed judges are eligible for a supplemental defined contribution benefit through the Judicial Retirement Account (JRA) program, which is managed by the Administrative Office of the Courts (AOC). The state and the employee each contribute 2.5 percent of the employee's gross pay to the JRA. Upon retirement, the JRA funds are distributed in addition to the member's PERS benefits.

The statutes governing the various retirement systems administered by the state include language authorizing the division of a member's benefits pursuant to a court-ordered division of marital property. The JRA program does not currently include provisions for such a division. Under current law, if a court were to divide a member's benefit as part of a divorce decree, the plan would not administer the division.

Summary of Bill: JRA distributions are subject to division pursuant to a divorce decree or judgment that awards part of a member's account balance to an ex-spouse. Distributions are also subject to state community property laws. Technical clarifications are made to the statutes that govern the administration of other types of claims against a JRA, such as bankruptcy.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The total benefits payable from a member's account are not altered

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill will allow the Administrative Office of the Courts to provide ex-spouses access to JRA funds in compliance with court-ordered property divisions.

Persons Testifying: PRO: Jeff Hall, Board for Judicial Administration.